

UNION PACIFIC RAILROAD COMPANY

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RECORDATION NO. 13563
FEB 24 1982-3 15 PM
Filed 1425

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 13563
February 22, 1982

FEB 24 1982-3 15 PM C-53621

Ms. ~~INTERSTATE COMMERCE COMMISSION~~
L. Mergenovich
Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

ICC Washington, D. C.

Dear Ms. Mergenovich:

There are enclosed herewith for filing and recording pursuant to § 11303 of the Interstate Commerce Act the following documents relating to an Equipment Lease Agreement among Trust Company for USL, Inc., having a place of business at 1211 West 22nd Street, Oak Brook, Illinois 60521; United States Leasing International, Inc., having a place of business at 633 Battery Street, San Francisco, California 94111; and Union Pacific Railroad Company, having a place of business at 1416 Dodge Street, Omaha, Nebraska 68179:

1. Five (5) executed counterpart originals of an Equipment Lease Agreement dated as of September 11, 1980, covering the leasing by the Trust Company for USL, Inc., through United States Leasing International, Inc., as its agent, to Union Pacific Railroad Company of 487 100-ton covered hopper cars, 293 79-ton 50-ft. all-steel single sheath box cars, and 100 100-ton open top hopper cars (C.D. No. 53621-3); and
2. Three (3) executed counterpart originals of an Assignment of Lease dated as of September 11, 1980, providing for the assigning by Trust Company for USL, Inc., and United States Leasing International, Inc., to Wells Fargo Bank, N.A., of their right, title and interest under the

above-referenced Equipment Lease Agreement
(C.D. No. 53621-3) dated as September 11,
1980.

After filing and recordation, please return
(1) the counterparts of the Equipment Lease Agreement
marked "UPRR Counterpart", "Lessor's Counterpart" and
"Agent's Counterpart", and (2) a counterpart of the
Assignment of Lease to Valerie W. Scott, General Counsel,
Union Pacific Railroad Company, 1416 Dodge Street, Omaha,
Nebraska 68179.

The fee of \$50.00 for filing and recordation is
enclosed herewith.

Very truly yours,

A handwritten signature in cursive script, reading "Brenda J. Warren".

Brenda J. Warren

Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

2/24/82

OFFICE OF THE SECRETARY

**Valeria W. Scott
General Counsel
Union Pacific RR.Co.
1416 Dodge Street
Omaha, Nebraska 68179**
Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **2/24/82** at **3:15pm**, and assigned re-recording number(s).

13563 & 13563-A Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

ORIGINAL COUNTERPART

RECORDATION NO. 13563 Filed 1425
FEB 24 1982 -3 15 PM
INTERSTATE COMMERCE COMMISSION

C. D. No.

53621-3

EQUIPMENT LEASE

Dated as of September 11, 1980

Among

TRUST COMPANY FOR USL., INC.
Trustee Under A Trust Agreement dated as of May 1, 1972
Lessor

UNITED STATES LEASING INTERNATIONAL, INC.
Agent for Lessor

and

UNION PACIFIC RAILROAD COMPANY
Lessee

R.I. Trust No. 4

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Attachments to Lease

Schedules A-1, A-2 and A-3 - Description of Equipment
Schedule B - Schedule of Casualty Value

THIS EQUIPMENT LEASE dated as of September 11, 1980 (the Lease), among TRUST COMPANY FOR USL, INC., not in its individual capacity but solely as Trustee under a Trust Agreement dated as of May 1, 1972, as amended (the Lessor), UNITED STATES LEASING INTERNATIONAL, INC., a California corporation, as agent for the Lessor (the Agent), and UNION PACIFIC RAILROAD COMPANY, a Utah corporation (the Lessee);

W I T N E S S E T H

WHEREAS, the Lessor, the Agent and Chicago, Rock Island and Pacific Railroad Company (the Rock Island) entered into an Equipment Lease dated as of May 1, 1972 (the Original Lease), bearing I.C.C. Recordation No. 6646, recorded on June 26, 1972 and with respect to the Original Lease the Lessor, the Agent, the Lessee and Wells Fargo Bank, N.A. (the Assignee), entered into an Agreement dated as of May 1, 1972 (the Agreement) pursuant to which the Lessee agreed to enter into this Lease in the event of any default under the Original Lease; and

WHEREAS, on March 17, 1975, Rock Island filed a Petition for Reorganization under Section 77 of the Federal Bankruptcy Act in the United States District Court for the Northern District of Illinois (the Court) and such Petition was duly approved as properly filed by an order signed on said date by the Court (said Petition and any and all other proceedings with respect thereto filed with the Court being hereinafter called the Reorganization Proceedings) and William M. Gibbons (the Rock Island Trustee) was duly qualified as Trustee of the Property of Rock Island on April 14, 1975; and

WHEREAS, on August 27, 1980, the United States District Court for the Northern District of Illinois, upon Petition by the Lessor and the Lessee, found that one or more Events of Default occurred under the Original Lease and ordered the Rock Island Trustee to return to the Lessor and Lessee the equipment originally delivered to the Rock Island under and not settled as a Casualty Occurrence pursuant to the Original Lease, a list of which is contained on Schedules A-1, A-2 and A-3, attached to this Lease (referred to collectively as the Equipment); and

WHEREAS, the Lessor and the Lessee entered into a memorandum of understanding dated September 18, 1980, stating their agreement to enter into this Lease as of September 11, 1980;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Equipment to the Lessee upon the following terms and conditions, namely, but subject to all the rights and remedies of each Manufacturer and its assigns under the Conditional Sale Agreement, as such capitalized terms are defined in the Original Lease.

SECTION 1. ASSIGNMENT; DELIVERY OF EQUIPMENT; REPORTS;
FEDERAL RAILROAD ADMINISTRATION.

1.1. Assignment. To facilitate the filing of a Proof of Claim or other legal action against the Rock Island Trustee or the estate of the Rock Island and to eliminate the need for the Lessor or Agent independently to file and prosecute claims against the Rock Island Trustee or the Rock Island, the Lessee shall prepare and prosecute appropriate claims and other documentation as in the judgment of the Lessee shall be required to recover damages, claims and demands owing to the Lessor or the Agent by the Rock Island Trustee or the Rock Island. For and in consideration of the promise of the Lessee so to prepare and prosecute such claims, the Lessor and the Agent hereby assign, set over and transfer to the Lessee any and all of the Lessor's or the Agent's rights, claims, demands and causes of actions against the Rock Island, or the Rock Island Trustee, arising under or in connection with the Original Lease. The Lessee shall be entitled to return and treat as the Lessee's property any and all sums or other property paid by the Rock Island Trustee or Rock Island in satisfaction of such claims or actions by the Lessee, it being understood and agreed that the Lessee's sole duty to pay damages or other sums to the Lessor or the Agent arising from the breach of the terms of the Original Lease by the Rock Island Trustee or the Rock Island are contained in the Agreement dated as of May 1, 1972, cited in the first recital of this Lease.

1.2. Delivery of Equipment. As provided in the Agreement dated as of May 1, 1972, the risk and burden of obtaining possession of the Equipment from the Rock Island Trustee are on the Lessee and the Lessor does not warrant or otherwise promise or guarantee possession of the Equipment in the Lessee, all as provided in the Agreement dated as of May 1, 1972.

1.3. Reports. The Lessee shall keep records of the time, date and location of receipt of the Items of Equipment and shall use its best efforts to ascertain the the location and condition of Items of Equipment not received.

The Lessee shall have a period of one year from the date of this Lease (A) in which to ascertain and report or declare to the Lessor (1) the location and condition of Items of Equipment not received, (2) Casualty Occurrences and (3) reporting or other identifying mark changes made by the Rock Island Trustee or the Lessee; and (B) to bring the Items of Equipment, not reported as Casualty Occurrences, up to the maintenance requirements of this Lease, PROVIDED that, the Lessee shall, on each Rental Date, report the above three items to be reported or declared insofar as is known by the Lessee and make payments for Casualty Occurrences declared by the Lessee. After September 11, 1981, the provisions set forth below in this Lease shall govern maintenance requirements and when and how Casualty Occurrence and mark changes are to be reported, declared, or paid.

1.4. Federal Railroad Administration. By agreement dated as of July 1, 1978 (bearing I.C.C. Recordation No. 6646-A, recorded on September 25, 1978), the Lessor, the Rock Island Trustee and the Secretary of the United States Department of Transportation, acting through the Administrator of the Federal Railroad Administration as his designee (the FRA), agreed that, upon the occurrence of certain events of default as specified in the agreement, the FRA could obtain possession of certain of the Items of Equipment leased to the Lessee under this Lease. The Lessor and the Lessee agree that, if the FRA has rights to and requests possession of any of the Equipment, the Lessee may lease such Equipment to the FRA under terms substantially the same as the terms of this Lease for a term not to exceed the expiration of the Original Lease, retaining and keeping as the Lessee's own, any and all rentals and other payments made by the FRA (or its sublessee, if any); PROVIDED THAT, no such lease or possession by the FRA shall relieve the Lessee of all or any of the other covenants not related to possession herein contained to be by the Lessee kept, observed and performed.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rentals for Equipment. The Lessee agrees to pay the Lessor the following Rental for each Item of Equipment leased hereunder:

(a) Fixed Rental. For each Item of Equipment (as defined in the recitals hereof) semi-annual installments of Fixed Rental each payable in advance in the amount provided for each respective Item of Equipment in Schedules A-1, A-2 and A-3 hereto. The first Fixed Rental

payment date under this Lease shall be September 20, 1980, in the amount of \$671,509.81.

(b) Advance Rental. Other than reasonable attorneys fees incurred in connection with the joint petition filed by the Lessor and the Lessee for an order requiring the Rock Island Trustee to deliver the Equipment (which attorneys fees will be payable when billed to the Lessee as provided in the Agreement dated as of May 1, 1972), there will be no Advance Rental payable by the Lessee within the meaning of Section 3.A.(1) of the Agreement dated as of May 1, 1972; PROVIDED HOWEVER, that the Lessee shall remain responsible to the Lessor as provided in the Agreement dated as of May 1, 1972, with respect to Events of Default under the Original Lease.

2.2. Rental Payment Dates. The installments of Fixed Rental for all Items of Equipment shall be due and payable on September 20 and March 20 of each year commencing September 20, 1980, to and including March 20, 1987.

2.3. Place of Rent Payment. All payments provided for in this Lease to be made to the Lessor shall be made to the Lessor at 1211 West 22nd Street, Oak Brook, Illinois 60521, or at such other place as the Lessor or its assigns shall specify in writing.

2.4. Net Lease. This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent or reduction thereof, including, but not limited to, abatements or reductions due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against either Manufacturer or against the Assignee, or against any entity having a beneficial interest in the obligations to be performed under the Conditional Sale Agreement; nor except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of all or any of the Equipment from whatsoever cause, the taking or requisitioning of the Equipment by condemnation or otherwise, the lawful prohibition of Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this

Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment is placed and ready for delivery to the Lessor on the Lessee's lines, or is stored for the Lessor on the Lessee's lines or leaves the Lessee's lines for off-line delivery to the Lessor.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on September 11, 1980, and subject to the provisions of Section 11 hereof, shall terminate on September 20, 1987, with the option to purchase provided for in Section 20 hereof.

SECTION 4. TITLE TO THE EQUIPMENT.

4.1. Retention of Title. The Lessor is acquiring full legal title to the Equipment as vendee under the Conditional Sale Agreement (but only upon compliance with all the terms and conditions thereof) and, it is understood that Lessee shall acquire no right, title and interest to the Equipment except hereunder notwithstanding the delivery of the Equipment to and the possession and use thereof by the Lessee.

4.2. Duty to Number and Mark Equipment. Subject to paragraph 1.3 of Section 1 of this Lease, the Lessee will cause each Item of Equipment to be kept numbered with its road number as set forth in Schedules A-1, A-2 and A-3 and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"Leased through United States Leasing International, Inc., as Agent for Trustee-Vendee, and subject to a Security Interest recorded with the I.C.C."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section

16 hereof. The Lessee will not place any such Item of Equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

4.3. Prohibition Against Certain Designations.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of the Lessee to use the Equipment under this Lease.

4.4. Indemnification for Improper Marking.

The Lessee shall indemnify the Lessor, the Agent, the Trustors under the Trust Agreement, and any assignee under Section 16 hereof against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the Equipment with such name, initials or insignia.

SECTION 5. DISCLAIMER OF WARRANTIES.

AS BETWEEN LESSOR AND LESSEE, LESSOR LEASES THE EQUIPMENT, AS-IS WITHOUT WARRANTY OR REPRESENTATION EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, OR (D) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against any manufacturers or contractors in respect thereof.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor, the Agent and the Trustors (as defined in Section 21.5 hereof) and their successors and assigns from and against:

(a) any and all loss or damage of or to the Equipment, usual wear and tear excepted, and

(b) any claim, cause of action, damages, liability, cost or expense (including counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them (i) relating to the Equipment or any part thereof, including without limitation the construction, purchase, delivery, installation, ownership, leasing or return of the Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessor or by the Lessee), (ii) by reason or as the result of any act or omission of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent infringements, or (iv) as a result of claims for negligence or strict liability in tort.

6.2. Tax Indemnification. In the event that the benefits realized or intended to be realized from the 7% investment tax credit provided for by Section 38, or taking accelerated depreciation from using the class life of the Lessee applicable to railroad rolling stock provided for by Section 167(m), of the Internal Revenue Code of 1954 as amended by the Revenue Act of 1971 (P.L. 92-178), or any part thereof, as now in effect, is lost or disallowed with respect to an Item of Equipment (except by reason of a Casualty Occurrence as defined in Section 11.1 hereof) because of any action or omission by the Lessee, then the Lessee shall pay to the Lessor or the Trustors as the case may be, as additional rent, a sum which, after deduction of all taxes required to be paid by the Lessor or the Trustor in respect of the receipt thereof under the laws of the United States or any political subdivision thereof, shall compensate the Lessor or the Trustor for the reduction in the return to the Lessor or the Trustor resulting from the Lessor's or the Trustor's not being able to realize the benefits realized or intended to be realized from said 7%

investment tax credit, or taking accelerated depreciation from using such class life of the Lessee under said Section 167(m), together with all interest or penalty which may be assessed by the United States government in connection with the loss of such benefits.

6.3. Continuation of Indemnities and Assumptions.
The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumption of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i) or (ii) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Sections 13 or 15 as the case may be. The foregoing does not guarantee a residual value. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of such claim or liability.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including the rules of the United States Department of Transportation and the current Interchange Rules and supplements thereto of the Mechanical Division, Association of American Railroads) with respect to the use, maintenance and operation of each Item of Equipment subject to this Lease. In case any equipment or appliance is required to be installed on such Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such changes, additions and replacements.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. Subject to paragraph 1.3 of Section 1 of this Lease, the Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange. The Lessee shall not modify any Item of Equipment without the written authority and approval of the Lessor which shall not be unreasonably

withheld. Any parts installed or replacements made by the Lessee upon any Item of Equipment shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor, without cost or expense to the Lessor.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through, or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon the Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease, but the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor to the Equipment. The Lessee's obligations under this Section 9 shall survive termination of the Lease.

SECTION 10. FILING, PAYMENT OF FEES AND TAXES.

10.1. Filing. The Lessee will, at its sole expense, cause this Lease to be duly filed, recorded or deposited in conformity with Section 11303 of the Interstate Commerce Act and in such other places within or without the United States as the Lessor may reasonably request for the protection of its title or the security interest of the Assignee and will furnish the Lessor proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will re-file, re-register, or re-record whenever required) any and all further instruments required by law or reasonably requested by the Lessor, for the purpose of protecting the Lessor's title to, or the Assignee's security interest in, the Equipment to the satisfaction of the Lessor's or the Assignee's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor proof of such filings and an opinion of the Lessee's counsel that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, re-filing, recording and re-recording or depositing and re-depositing of any such instruments or incident to the taking of such action.

10.2. Payment of Taxes. The Lessee, or the Lessor at the Lessee's expense, shall report, pay and discharge

when due all license and registration fees, assessments, sales, use and property taxes, gross receipts taxes arising out of receipts from use or operation of the Equipment, and other taxes, fees and governmental charges similar or dissimilar to the foregoing (excluding any tax measured by the Lessor's net income and by gross receipts or gross income taxes in substitution for or by way of relief from the payment of taxes measured by such net income, provided that the Lessee agrees to pay that portion of any such tax on or measured by rentals payable hereunder or the net income therefrom which is in direct substitution for, or which relieves the Lessee from, a tax which the Lessee would otherwise be obligated to pay under the terms of this Section), together with any penalties or interest thereon, imposed by any state, federal or local government upon any Item of Equipment and whether or not the same shall be assessed against or in the name of the Lessor, the Agent, the Lessee, or the Trustors; PROVIDED however, that the Lessee shall not be required to pay or discharge any such tax or assessment (i) so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor to the Equipment; however, the Lessee shall reimburse the Lessor for any damages or expenses resulting from such failure to pay or discharge, or (ii) as to assessments against or in the name of anyone other than the Lessee, until 20 days after written notice thereof shall have been given to the Lessee.

SECTION 11. PAYMENT FOR CASUALTY OCCURRENCE OR EQUIPMENT UNSERVICEABLE FOR USE.

11.1. Duty of Lessee to Notify Lessor. Subject to paragraph 1.3 of Section 1 of this Lease, in the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged, obsolete or economically unserviceable for use from any cause whatsoever, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease (any such occurrence, except for any requisition which by its terms does not exceed the period ending on the last Rental Payment Date under Section 2.2 hereof, being hereinafter called a Casualty Occurrence), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor in regard thereto.

11.2. Sum Payable for Casualty Loss. Subject to paragraph 1.3 of Section 1 of this Lease, when the aggregate Casualty Value (as herein defined) of Items of Equipment

having suffered a Casualty Occurrence (exclusive of Items of Equipment having suffered a Casualty Occurrence) with respect to which a payment shall have been made to the Lessor pursuant to this Section 11) shall exceed \$100,000, the Lessee, on the next succeeding Rental Payment Date, shall pay to the Lessor a sum equal to the Casualty Value of such Item or Items of Equipment as of the date of such payment; provided that notwithstanding the foregoing the Lessee shall on the last Rental Payment Date of each calendar year pay to the Lessor a sum equal to the Casualty Value of any Item or Items of Equipment which have suffered a Casualty Occurrence during such calendar year or any prior year for which no payment has previously been made to the Lessor pursuant to this Section 11.2.

11.3. Rent Termination. Upon (and not until) payment of the Casualty Value in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment (including the Fixed Rental installment due on the Casualty Value payment date) shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment. The Lessee shall pay when due all Fixed Rental payments as to an Item or Items due prior to the date on which the Casualty Value thereof is payable.

11.4. Disposition of Equipment. The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an "as is", "where is" basis without representation or warranty, express or implied. As to each separate Item of Equipment so disposed of the Lessee may retain all amounts of such price plus any insurance proceeds and damages received by the Lessee by reason of such Casualty Occurrence up to the Casualty Value attributable thereto and shall remit the excess, if any, to the Lessor. In disposing of such Item or Items of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item or Items of Equipment.

11.5. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the date of the Casualty Occurrence) equal to that percentage of the original cost to the Lessor of such Item of Equipment set forth in the Schedule of Casualty Value attached hereto as Schedule B opposite such date of payment. The Agent will promptly furnish amortization schedules showing the remaining installments of Fixed Rental.

11.6. Risk of Loss. The Lessee shall bear the risk of and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof.

11.7. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a period which does not exceed the period ending on the last Rental Payment Date under Section 2.2 hereof, the Lessee's duty to pay rent shall continue for the duration of such requisitioning or taking. The Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession to an amount equal to the rent paid or payable hereunder for such period, and the balance, if any, shall be payable to and retained by the Lessor as its sole property.

SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. Subject to paragraph 1.3 of Section 1 of this Lease, commencing on March 20, 1981, and not later than March 20 of each year thereafter, the Lessee will furnish to the Lessor or its assigns an accurate statement, as of the end of the preceding fiscal year (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor and the Assignee each shall have the right, at its sole cost and expense, by its authorized representative, to inspect the

Equipment and the Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to the Lessor or, as the case may be, the Assignee the existence and proper maintenance thereof during the continuance of this Lease.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon the expiration of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor upon such storage tracks of the Lessee as the Lessor may designate, or in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Item of Equipment on such tracks for a period not exceeding 90 days and transport the same at any time within such 90 days period to any reasonable place on the lines of railroad operated by the Lessee or to any connecting carrier for shipment, all as directed by the Lessor upon not less than 30 days' written notice to the Lessee. All movement and storage of each such Item is to be at the risk and expense of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Item, to inspect the same; PROVIDED, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so assemble, deliver, store and transport the Equipment.

SECTION 14. DEFAULT.

14.1. Events of Default. Subject to the provisions of Section 1 of this Lease, any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the Rental provided in Section 2 hereof and such default shall continue for more than ten days; or

(b) The Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or of possession of the Equipment, or any portion thereof, and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such Equipment within 30 days after written notice from the Lessor to the Lessee demanding such cancellation and recovery of possession; or

(c) Default shall be made in the observance of performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 30 days after written notice from the Lessor to the Lessee, specifying the default and demanding the same to be remedied; or

(d) A petition for reorganization under Chapter 11 of the Bankruptcy Reform Act of 1978, as now constituted or as said Chapter 11 may be hereafter amended, shall be filed by or against the Lessee, and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings or otherwise given a status comparable to the obligations incurred by such a trustee or trustees within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

(e) Any other proceedings shall be commenced by or against the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and all the obligations of the Lessee, under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings or otherwise given a status comparable to obligations incurred by such a

trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any of such Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Equipment for any purpose whatsoever, but the Lessor, shall, nevertheless, have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by a fraction of which the numerator is such accrued number of days in such full rental period and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum with respect to each Item of Equipment, which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then fair rental value of such Item for such period computed by discounting from the end of such term to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of the Item during such period, such present worth to be

computed in each case on a basis of a 4.0% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages and expenses including reasonable attorney's fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease, other than for the payment of rental.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any off-set against the rent payments due hereunder, and agrees to make the rent payments regardless of any off-set or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

14.4. Lessor's Failure to Exercise Rights. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

14.5. Termination by Assignee of Conditional Sale Agreement. Anything in this Lease to the contrary notwithstanding, if the Assignee of the Conditional Sale Agreement shall, upon the occurrence of an Event of Default as defined therein, state in a written notice to the Lessor and Lessee that this Lease terminates, this Lease shall, immediately upon receipt by Lessee of such notice, terminate as to all the Items of Equipment and the rights of the Lessee hereunder shall at all times and in all respects be subject and subordinate to the rights and remedies of the Assignee under the Conditional Sale Agreement.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or the Assignee shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering

possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Equipment in such reasonable storage place on the Lessee's lines of railroad as the Lessor may designate or, in the absence of such designation, as the Lessee may select;

(b) Permit the Lessor to store such Equipment in such reasonable storage place on the Lessee's lines of railroad for a period not exceeding 180 days at the risk of the Lessee; and

(c) Transport the Equipment, at any time within such 180 days' period, to any place on the lines of railroad operated by the Lessee or to any connecting carrier for shipment, all as the Lessor may reasonably direct upon not less than 30 days' written notice to the Lessee.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligations of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to Lessor, to demand and take possession of such Item in the name and on behalf of Lessee from whomsoever shall be at the time in possession of such Item.

SECTION 16. ASSIGNMENTS BY LESSOR.

The Lessee acknowledges receipt of a true copy of the Conditional Sale Agreement referred to in the Recitals of this Lease, and of an Agreement and Assignment relating thereto under which the Manufacturers thereunder assigned certain of their right, title and interest under said Conditional Sale Agreement to Wells Fargo Bank, N.A. (the "Assignee"). Concurrently with its execution and delivery

of this Lease, Lessee has also been provided with and acknowledges receipt of an Assignment of Lease (the "Lease Assignment") pursuant to which the Lessor has assigned its right, title and interest under this Lease to the Assignee. The Lessee hereby consents to all provisions contained in the Lease Assignment, insofar as the same pertain to this Lease, and agrees that the rights, powers, privileges and other benefits assigned to the Assignee thereby, and all remedies under the Lease, may be enforced by the Assignee separate and apart from and without notice to or consent or joinder of Lessor or any assignee of the rights, powers, privileges or other benefits under the Lease not thereby assigned to the Assignee. The Lessee waives as against the Assignee, its and their successors and assigns, all claims now or hereafter existing against the Lessor under this Lease. The Lessee shall, until such time, if any, as the Assignment shall cease and terminate, pay to the Assignee, its successors and assigns, an amount equal to all rentals and profits and other sums payable to or receivable by the Lessor under or pursuant to the provisions of this Lease according to the terms of this Lease, without any abatement, reduction, defense, set-off, counterclaim or recoupment whatsoever and shall not surrender the Equipment subject to this Lease to any person other than the Assignee or otherwise, in accordance with written instructions delivered to it by the Assignee. The Lessee shall not, without the prior written consent of the Assignee, enter into any agreement amending, modifying or terminating this Lease and any attempted amendment, modification or termination without such consent shall be void. The Lessee shall remain obligated under this Lease in accordance with its terms, and shall not take any action to terminate, rescind or void this Lease, notwithstanding any default by the Lessor, the existence of any defense, set-off, counterclaim or right of abatement, reduction or recoupment as between the Lessor and the Lessee, the existence of any other liability or obligation of any kind or character on the part of the Lessor to the Lessee, or to any third person or governmental authority, or any bankruptcy or other proceedings affecting the Lessor, or any assignee thereof, or to any action taken by trustees or receiver of the Lessor, or of any such assignee or by any court in any such proceeding.

Except as provided in paragraph 1.4 of Section 1 of this Lease, this Lease shall be assignable in whole or in part by Lessor without the consent of Lessee, but Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. In the event that separate assignments are executed by the Lessor in respect of this Lease and the rental and

other sums due and to become due hereunder, insofar as the same relate to Items of Equipment described in separate Schedules A-1, A-2 and A-3 hereto the Lessor and the Lessee agree that so long as such separate assignments remain in force and effect this Lease shall be deemed to be and shall be construed as a divisible and severable contract between the Lessor and the Lessee for the leasing of Equipment covered by each such separate assignment, all to the same extent and with the same force and effect as though a separate lease had been entered into by the Lessor and the Lessee in respect of such Equipment. Upon notice to the Lessee of any such assignment the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of any such assignee in and to the sums payable by the Lessee under any provisions of this Lease shall not be subject to any abatement whatsoever, and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever whether by reason of or defect in Lessor's title, or any interruption from whatsoever cause (other than from a wrongful act of the assignee) in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of the Assignee, the Lessee shall be unconditionally and absolutely obligated to pay the Assignee all of the rents and other sums which are the subject matter of the assignment, and (ii) the Assignee shall have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of the Assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor (except as provided in paragraph 1.4 of Section 1 of this Lease), the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. The

Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. Use and Possession on Lines Other Than Lessee's Own. So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad owned or operated by it (either alone or jointly) or by any corporation a majority of whose voting stock (i.e., having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by the Lessee, or upon lines of railroad over which the Lessee or such corporation has trackage or other operating rights or over which Equipment of the Lessee is regularly operated pursuant to contract and also to permit the use of the Equipment upon connecting and other railroads in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Lease. The Lessee may receive and retain compensation for such use from other railroads so using any of the Items. Notwithstanding the foregoing, the Lessee will not assign any Item of Equipment to service involving the regular operation and maintenance thereof outside the United States of America. No assignment, sublease or interchange entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligations hereunder which shall be and remain those of a principal and not a surety.

17.3. Merger, Consolidation or Acquisition of Lessee. Nothing in this Section 17 shall be deemed to restrict the right of Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation (which shall have duly assumed the obligations hereunder of Lessee) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of Lessee as an entirety or substantially as an entirety.

SECTION 18. OPINION OF LESSEE'S COUNSEL.

The Lessee will deliver to the Lessor five counterparts of the written opinion of counsel for the Lessee addressed to the Lessor, the Agent and to the Assignee, in scope and substance satisfactory to the Lessor, to the effect that:

(a) The Lessee is a corporation legally incorporated and validly existing, in good standing, under the laws of the State of Utah;

(b) The Lessee has the corporate or other power and authority to own its property and carry on its business as now being conducted and is duly qualified to do business as a foreign corporation in all States in which such qualification is necessary to carry out the terms of the Lease;

(c) This Lease has been duly authorized, executed and delivered by the Lessee and constitutes the valid, legal and binding agreement of the Lessee enforceable in accordance with its terms;

(d) This Lease will be filed and recorded with the Interstate Commerce Commission pursuant to Section 11303 of the Interstate Commerce Act and no other filing, recording or depositing is necessary to protect the Lessor's title to the Equipment in the United States of America;

(e) No approval, consent or withholding of objection is required from any public regulatory body with respect to the entering into or performance by the Lessee of this Lease;

(f) The execution and delivery by the Lessee of this Lease does not violate any provision of any order of any court or governmental agency, the Charter or By-laws of the Lessee, or any indenture, agreement, or other instrument to which the Lessee is a party or by which it, or any of its property is bound, and will not be in conflict with, result in the breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee, except as contemplated and permitted hereby; and

(g) As to any other matter which the Lessor shall reasonably request.

SECTION 19. INTEREST ON OVERDUE RENTALS AND AMOUNTS PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of rentals due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the obligation on the part of the Lessee to pay also an amount equal to 9.0% (or the lawful rate, whichever is less) of the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 20. OPTION TO PURCHASE.

Provided that the Lessee is not in default, Lessee shall have the following options to purchase:

(a) The Lessee shall have the right to purchase all but not less than all of the Equipment then leased hereunder at the expiration of the original term at a price equal to the "fair market value" (as herein defined). The Lessee shall give the Lessor written notice 180 days prior to the end of the term of its election to exercise the purchase option provided for in this Section. Payment of the option price shall be made at the place of payment specified in Section 2 hereof in funds there current against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment and containing a warranty against liens or claims of persons claiming by, through or under the Lessor except liens and claims which the Lessee assumed or is obligated to discharge under the terms of the Lease. The Lessor shall not be required to make any representation or warranty as to the condition of the Equipment or any other matters.

(b) The "fair market value" shall be an amount mutually agreed upon by the Lessor and the Lessee; provided that if the Lessor and the Lessee are unable to agree upon the fair market value of the Equipment within 30 days after receipt by the Lessor of the notice of the Lessee's election to exercise the purchase option, the fair market value shall be determined by an appraiser selected by mutual agreement of the Lessor and the Lessee. If the Lessor and the Lessee are not able to agree upon an appraiser, or if the fair market value is

not so determined within 90 days after receipt by the Lessor of the Lessee's election to purchase, the same shall be determined by American Appraisal Company. The fair market value as finally determined shall bear interest for the period, if any, from the date of expiration of this Lease to the date of payment at the rate of 8 1/2% per annum.

(c) Unless the Lessee has given the Lessor 180 days notice as required in connection with exercise of the foregoing option, all the Equipment then leased hereunder shall be returned to the Lessor in accordance with Section 13 hereof.

Notwithstanding any election of the Lessee to purchase, the provisions of Section 11 hereof shall continue in full force and effect until the date of purchase and the passage of ownership of the Equipment purchased by the Lessee upon the date of purchase unless the purchase price has been agreed upon by the parties pursuant to this Section 20(b), in which event such purchase price shall govern.

SECTION 21. MISCELLANEOUS.

21.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first class postage prepaid, addressed as follows:

If to the Lessor: Trust Company for USL, Inc.,
as Trustee under R.I. Trust
No. 4
1211 West 22nd Street
Oak Brook, Illinois 60521

With a copy of any such notice
to be sent to the Agent.

If to the Agent: United States Leasing Inter-
national, Inc.
633 Battery Street
San Francisco, California 94111
Attention: Vice President-
Lease Underwriting Group

If to the Lessee: Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179
Attention: Vice President-
Finance & Administration

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

21.2. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

21.3. Law Governing. This Lease shall be construed in accordance with the laws of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

21.4. Concerning the Lessor and the Agent. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein made on the part of the Lessor, while in form purporting to be the representations, covenants, undertakings and agreements of Trust Company for USL, Inc., are nevertheless each and every one of them made and intended not as personal representations, covenants and undertakings and agreements of it in its individual corporate capacity or for the purpose or with the intention of binding it in its individual corporate capacity, but are made and intended for the purpose of binding only the Trust as that term is used in the Trust Agreement; such Trust is the Lessor hereunder, and this Lease is executed and delivered by Trust Company for USL, Inc., not in its own right but solely in the exercise of the powers conferred upon it as such Trustee; and no liability or responsibility in its individual corporate capacity is assumed by nor shall at any time be asserted or enforceable against such corporation or the Agent, or any incorporator or any past, present or future subscriber to the capital stock of, the Trustee or the Agent, on account of this Lease or on account of any representation, covenant, undertaking or agreement of such corporation or the Agent in this Lease contained, either expressed or implied, all such individual corporate liability, if any, being expressly waived and released by the Lessee herein and by all persons claiming by, through or under the Lessee; excepting, however, that the Lessee or any person claiming by, through or under it, making claim hereunder, may look to said Trust for satisfaction of the same.

21.5. Trustors Defined. The term "Trustors" as used herein means Wilmington Trust Company, City National Bank and Trust Company and First American National Bank, as

Trustors under the Trust Agreement dated as of May 1, 1972 among the Trustors, the Lessor and the Agent and their respective successors in interest and assigns under said Trust Agreement.

21.6. Subordination. This Lease is subject to and subordinate to the Conditional Sale Agreement mentioned in the Recitals hereof.

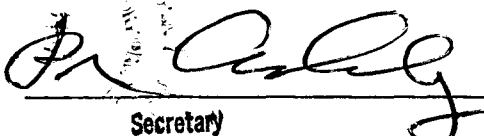
21.7. Options and Other Rights Under The Agreement Dated as of May 1, 1972. The execution of this Lease is pursuant to the Agreement dated as of May 1, 1972, and the options and other rights of all the parties thereto shall remain in full force and effect including, without limitation, the Lessee's options and rights under Section 3 thereof.

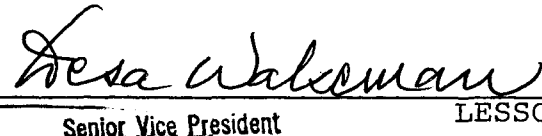
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by their officers or representatives, thereunto duly authorized, and their respective corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

(Corporate Seal)

TRUST COMPANY FOR USL, INC., as
Trustee under R.I. Trust No. 4

ATTEST:


Secretary

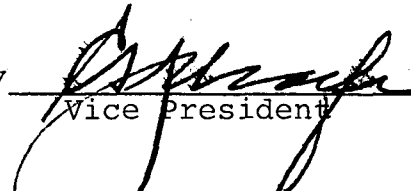
By 
Senior Vice President LESSOR

(Corporate Seal)

UNION PACIFIC RAILROAD COMPANY

ATTEST:




By 
Vice President LESSEE

(Corporate Seal)

UNITED STATES LEASING INTERNATIONAL,
INC.

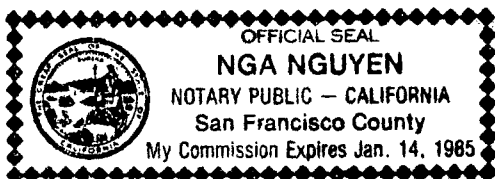
ATTEST:


Assistant Secretary

By 
Senior Vice President AGENT FOR LESSOR

California
STATE OF ~~ILLINOIS~~)
San Francisco Co) SS
COUNTY OF ~~DU PAGE~~)

On this 22nd day of October, 1981, before me personally appeared Arsa Wakeman, to me personally known, who being by me duly sworn, says that she is a Senior Vice President of TRUST COMPANY FOR USL, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



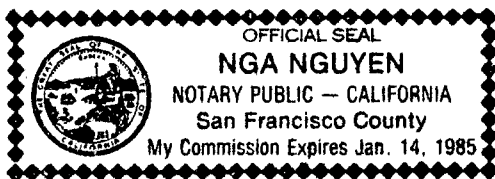
My Commission expires:

Jan. 14, 1985

Nga Nguyen
Notary Public

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 22nd day of October, 1981, before me personally appeared James P. Stern, to me personally known, who being by me duly sworn says that he is a Senior Vice President of UNITED STATES LEASING INTERNATIONAL, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



My Commission expires:

Jan. 14, 1985

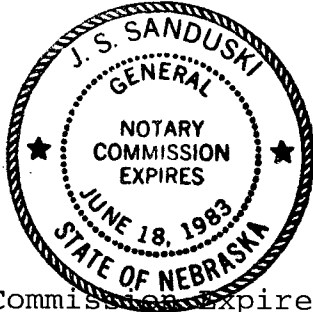
Nga Nguyen
Notary Public

STATE OF NEBRASKA)

) SS.

COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 19th day of January, 1982, by C. BARRY SCHAEFER, Vice President-Law of UNION PACIFIC RAILROAD COMPANY, a Utah corporation, on behalf of the corporation.



J. S. Sanduski
Notary Public

My Commission Expires:

June 18, 1983

SCHEDULE A-1

MANUFACTURER:

ACF INDUSTRIES, INCORPORATED

DESCRIPTION OF EQUIPMENT:

487 100-ton covered hopper
cars, bearing road numbers:

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
131750		82050
131751		82051
131752		82052
131753		82053
131754		82054
131755		82055
131756		82056
131757		82057
131758		82058
131759		82059
131760		82060
131761		82061
131762		82062
131763		82063
131764	631783	82446
131765		82064
131766		82065
131767		82066
131768		82067
131769		82068
131770		82069
131771		82070
131772	631853	82515
131773		82071
131774		82072
131775		82073
131776	631781	82444
131777		82074
131778		82075
131779	631765	82482
131780	631819	82481
131781	631818	82076
131782		82077
131783		82078
131784		82079
131785		82080
131786		82081
131787	631813	82476
131788	631792	82455

<u>Original R.I. Series No.</u>	<u>ROCK Series No., if Applicable</u>	<u>U.P. Series No.</u>
131790		82083
131791		82084
131792	631873	82534
131793		82085
131794	631876	82537
131795		82086
131796		82087
131797		82088
131798		82089
131799		82090
131800		82091
131802	631848	82510
181803		82093
131804		82094
131805	631826	82488
131806	631843	82505
131807	631750	82413
131808	631868	82529
131809	631796	82459
131810		82095
131811		82096
131812	631860	82522
131813		82097
131814		82098
131815	631808	82471
131816	631859	82521
131817		82099
131818		82100
131819		82101
131820		82102
131821		82103
131822	631862	82524
131823		82104
131824		82105
131825		82106
131826	631806	82469
131828	631816	82479
131829		82108
131830		82109
131831		82110
131832	631849	82511
131833	631772	82435
131834	631774	82437
131835		82111
131836		82112
131837	631831	82493
131838	631768	
131839		82113
131840		82114

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
131841		82115
131842		82116
131843		82117
131844	631874	82535
131845		82118
131846		82119
131847		82120
131848		82121
131849	631810	82473
131850		82122
131851		82123
131852	631755	82418
131853		82124
131854	631814	82477
131855	631791	82454
131856		82125
131857		82126
131858		82127
131859		82128
131860		82129
131861		82130
131862		82131
131863		82132
131864		82133
131865		82134
131866		82135
131867		82136
131868		82137
131869		82138
131870	631801	82464
131871		82139
131872		82140
131873		82141
131874		82142
131875		82143
131876	631840	82502
131877	631820	82482
131878	631811	82474
131879		82144
131880	631865	82527
131881	631881	82542
131882	631751	82414
131883		82145
131884	631795	82458
131885		82146
131886		82147
131887		82148
131888		82149
131889		82150

<u>Original R.I. Series No.</u>	<u>ROCK Series No., if Applicable</u>	<u>U.P. Series No.</u>
131890		82151
131891		82152
131892		--
131893		82154
131894	631847	82509
131895		82155
131896	631821	82483
131897	631769	82432
131898		82156
131899	631842	82504
131900		82157
131901	631834	82496
131902		82158
131903	631778	82441
131904		82159
131905		82160
131906		82161
131907		82162
131908		82163
131909	631836	82498
131910		82164
131911		82165
131912		82166
131913		82167
131914		82168
131915	631887	82548
131916		82169
131917		82170
131918		82171
131919		82172
131920	631782	82445
131921		82173
131922		82174
131923	631789	82452
131924		82175
131925	641797	82460
131926		82176
131927	631784	82447
131928		82177
131929	631825	82487
131930		82178
131931		82179
131932	631817	82480
131933	631850	82512
131934		82180
131935		82181
131936		82182
131937		82183
131938		82484
131939	631804	82467

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
131940		82185
131941		82186
131942		82187
131944		82189
131945	631875	82536
131946		82190
131947	631863	82525
131948	631805	82468
131950	631829	82491
131951		82192
131952		82193
131953		82194
131954		82195
131955		82196
131956	631889	82346
131957		82197
131958		82198
131959		82199
131960		82200
131961	631822	82484
131962		82201
131963		82202
131964		82203
131965		82204
131966		82205
131967		82206
131968		82207
131969	631759	82422
131970	631855	82517
131971		82208
131972		82209
131973		82210
131974		82211
131975		82212
131976	631760	82423
131977		82213
131978	631861	82523
131979	631790	82453
131980		82214
131981		82215
131982		82216
131983		82217
131984		82218
131985	631824	
131986		82219
131987		82220
131988		82221
131989		82222
131990		82223

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
131991		82224
131992		82225
131993		82226
131996		82229
131998		82231
132000		82233
132001		82234
132002		82235
132003	631869	
132004		---
132005		82237
132006		82238
132007		82239
132008	631885	82546
132009		82240
132010	631785	82248
132011		82241
132012		82242
132013		82243
132014		82244
132015		82245
132016		82246
132017	631854	82516
132018		82247
132019		82248
132020		82249
132021		82250
132022		82251
132023		82252
132024		82253
132025		82254
132026		82255
132027		82256
132028		82257
132029		82258
132030		82259
132031		82260
132032		82261
132033	631877	82538
132034		82262
132035		82263
132036	631883	82544
132037		82264
132038		82265
132039		82266
132040		82267
132041		82268
132042	631880	82541
132043		82269

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
132044		82270
132045		82271
132046	631770	82433
132047		82272
132048		82273
132049		82274
132050	631839	82501
132051		82275
132052		82276
132053		82277
132054	631752	82415
132055		82278
132056		82279
132057		82280
132058	631756	82419
132059		82281
132060		82282
132061		82283
132062		82284
132063		82285
132064		82286
132065		82287
132066	631763	82426
132067		82288
132069	631753	82416
132070		82290
132071		82291
132072		82292
132073		82293
132074	631803	82466
132075		82294
132076		82295
132077		82296
132078	631779	82442
132079	631788	82451
132080	631845	82507
132081		82297
132082		82298
132083		82299
132084		82300
132085		82301
132086		82302
132087		82303
132088	631794	82457
132089		82304
132090	631833	82495
132091		82305
132092		82306
132093		

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
132094	631798	82461
132095		82308
132096	631793	82456
132097		82309
132098		82310
132099		82311
132100	631812	82475
132101		82312
132102	631841	82503
132103		82313
132105		82315
132106		82316
132107		82317
132108	631761	82424
132109	631776	83439
132110		82318
132111		82319
132112		82320
132113		82321
132114	631830	82492
132115		82322
132116		82323
132117	631871	82532
132118		82324
132119		82325
132120		82326
132121		82327
132122		82328
132123		82329
132124		82330
132125		82331
132126		82332
132127		82333
132128		82334
132129		82335
132130	631780	82443
132131	631888	82549
132132	631878	82539
132133		
132134		82337
132135		82338
132136		82339
132137		82340
132138		82341
132139		82342
132140		82343
132141		82344
132142		82345
132144	631879	82540

Original R.I.Series No.	ROCK Series No., if Applicable	U.P. Series No.
132145		82347
132146		82348
132147		82349
132148		82350
132149		82351
132150	631786	82449
132151		82352
132152	631773	82436
132153		82353
132154		82354
132155		82355
132156		82356
132157	631771	82434
132158	631809	82472
132159	631866	82528
132160		82357
132161	631851	82513
132162		82358
132163		82359
132164		82360
132165	631857	82519
132166		82361
132167		82362
132168	631838	82500
132169		82363
132170		82364
132171		82365
132172		82366
132173	631802	82465
132174		82367
132175		82368
132176		82369
132177	631787	82450
132178		82370
132179		82371
132180		82372
132181	631846	82508
132182		82373
132183	631872	82533
132184	631828	82490
132185	631858	82520
132186		82374
132187		82375
132188		82376
132189		82377
132190	631882	82543
132191	631856	82518
132192		82378
132193	631807	82470

Original R.I.Series No.	ROCK Series No., if Applicable	U.P. Series No.
132194		82379
132195	631757	82420
132196	631823	82485
132197		82380
132198	631884	82545
132199		82381
132200		82382
132201		82383
132202	631767	82430
132203		82384
132204	631754	82417
132205		82385
132206		82386
132207		82387
132208	631766	82429
132209		82388
132210		82389
132212		82391
132213		82392
132214		82393
132215	631832	82494
132216	631844	82506
132217		82394
132218	631870	82531
132219	631775	82438
132220		82395
132221	631777	82440
132222	631815	82478
132223	631758	82421
132224		82396
132225		82397
132226		82398
132227		82399
132228		82400
132229		82401
132230	631800	82463
132231	631852	82514
132232	631764	82427
132233		82402
132234		82403
132235		82404
132236	631827	82489
132237		82405
132238		82406
132239		82407
132240	631837	82499
132241		82408
132242		82409
132243	631799	82462

<u>Original R.I. Series No.</u>	<u>ROCK Series No., if Applicable</u>	<u>U.P. Series No.</u>
132244		82410
132245		82526
132246		82411
132247	631886	82547
132248	631762	82425
132249		82412

PRICE WHEN NEW: \$17,070.81 per car, or

TOTAL PRICE WHEN NEW: \$8,313,484.47 for all 487 cars.

FIXED RENTAL PAYMENTS: Fifteen (15) semi-annual rental payments, in advance at \$739.76 per car, of \$360,263.12 for all 487 cars.

LESSEE: Union Pacific Railroad Company

TRUSTORS: Wilmington Trust Company
City National Bank & Trust Company
First American National Bank

ASSIGNEE: Wells Fargo Bank, N.A.

SCHEDULE A-2

MANUFACTURER:

ACF INDUSTRIES, INCORPORATED

DESCRIPTION OF EQUIPMENT:

293 79-ton 50-ft. all-steel
single sheath box cars, bearing
road numbers:

<u>Original R.I. Series No.</u>	<u>ROCK Series No., if Applicable</u>	<u>U.P. Series No.</u>
36000		553000
36001		553001
36002		553002
36003		553003
36004		553004
36005		553005
36006		553006
36007	536007	553261
36008		553007
36009		553008
36010		553009
36011		553010
36012		553011
36013		553012
36014		553013
36015		553014
36016		553015
36017		553016
36018		553017
36019		553018
36020		553019
36021		553020
36022		553021
36023		553022
36024		554023
36025	536031	553285
36026		553024
36027		553025
36028		553026
36029		553027
36031		553029
36032		553030
36033		553031
36034		553032
36035		553033
36036		553034

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
36037		553035
36038		553036
36039		553037
36040		553038
36041		553039
36042		553040
36043	536040	553294✓
36044		553041
36045		553042
36046		553043
36047		553044
36048	536002	553256
36049		553045
36050		553046
36051		553047
36052		553048
36053		553049
36054		553050
36055		553051
36056		553052
36057		553053
36058		553054
36059	536033	553287-
36060		553055
36061		553056
36062		553057
36063	536025	553279
36064		553058
36065		553059
36066		553060
36067		553061
36068		553062
36069		553063
36070		553064
36071		553065
36072		553066
36073		553067
36074		553068
36075		553069
36076		553070
36077		553071
36078		553072
36079		553073
36080		553074
36081		553075
36082	536001	553255
36083	536010	553624✓

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
36084		553076
36085		553077
36087		553079
36088		553080
36089		553081
36090		553082
36091		553083
36092	536042	553296-
36093	536020	553274
36094		553084
36095	536034	553288
36096		553085
36097		553086
36098		553087
36099		553088
36100		553089
36101		553090
36102		553091
36103		553092
36104		553093
36105		553094
36106		553095
36107		553096
36108		553097
36109		553098
36110		553099
36111		553100
36112		553101
36113		553102
36114		553103
36115		553104
36116		553105
36117	536000	553254
36118		553106
36119		553107
36120		553108
36121		553109
36122		553110
36123		553111
36124		553112
36125	536019	553273
36126		553113
36127		553114
36128		553115
36129		553116
36130		553117
36131		553118

<u>Original R.I. Series No.</u>	<u>ROCK Series No., if Applicable</u>	<u>U.P. Series No.</u>
36132		553119
36133		553120
36134		553121
36135		553122
36136		553123
36137		553124
36138		553125
36139		553126
36140		553127
36141		553128
36142		553129
36143		553130
36144		553131
36145		553132
36146		553133
36147	536035	553289
36148	536044	553298
36149		553134
36151		553136
36152		553137
36153		553138
36154		553139
36155		553140
36156		553141
36157		553142
36158		553143
36159		553144
36160	536011	553265
36161		553145
36162		553146
36163		553147
36164		553148
36165		553149
36166		553150
36167		553151
36168	536012	553266
36169		553152
36170		553153
36171		553154
36172		553155
36173		553156
36174	536018	553272
36175		553157
36176	536032	553286
36177		553158
36178	536029	553283
36179		553159

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
36180		553160
36181		553161
36182		553162
36184	536013	553267
36185		553164
36186		553165
36187		553166
36188		553167
36189		553168
36190		553169
36191	536016	553270
36192		553170
36193		553171
36195		553173
36196		553174
36197		553175
36198	536024	553278
36199		553176
36200		553177
36201		553178
36202	536045	553299
36203		553179
36204		553180
36205		553181
36206		553182
36207		553183
36208		553184
36209		553185
36210		553186
36211		553187
36212		553188
36213		553189
36214		553190
36216		553192
36217		553193
36218		553194
36219		553195
36220		553196
36221	536037	553291
36222		553197
36223		553198
36224		553199
36225		553200
36226		553201
36227		553202
36228		553203

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
36229		553204
36230	536004	553258
36231		553205
36232		553206
36233		553207
36234		553208
36235		553209
36236	536003	553257
36237		553210
36238		553211
36239	536017	553271
36240	536039	553293
36241		553212
36242		553260
36243		553213
36244	536022	553276
36245		553214
36246		553215
36247	536023	553277
36248	536043	553297
36249		553216
36250		553217
36251		553218
36252		553219
36253		553220
36254		553221
36255	536041	553295
36256		553222
36257		553223
36258		553224
36259		553225
36260	536026	553280
36261		553226
36262		553227
36263	536027	553281
36264		553228
36265	536028	553282
36266	536021	553275
36267		553229
36268		553230
36269		553231
36270		553232
36271	536038	553292
36272		553233
36273		553234
36274		553235
36275		553236
36276		553237

<u>Original R.I. Series No.</u>	<u>ROCK Series No., if Applicable</u>	<u>U.P. Series No.</u>
36277		553238
36278		553239
36279	536030	553284
36280	536015	553269
36281		553240
36282	536014	553268
36283		553241
36284		553242
36285		553243
36286	536005	553259
36287	536008	553262
36288	536009	553263
36290	536036	553290
36291		553245
36292		553246
36293		553247
36294		553248
36295		553249
36297		553251
36298		553252
36299		553253

PRICE WHEN NEW: \$19,022.17 per car, or

TOTAL PRICE WHEN NEW: \$5,573,495.81 for all 293 cars.

FIXED RENTAL PAYMENTS: Fifteen (15) semi-annual rental payments, in advance at \$824.33 per car, or \$241,528.69 for all 293 cars.

LESSEE: Union Pacific Railroad Company

TRUSTORS: Wilmington Trust Company
City National Bank & Trust Company
First American National Bank

ASSIGNEE: Wells Fargo Bank, N.A.

SCHEDULE A-3

MANUFACTURER:

ACF INDUSTRIES, INCORPORATED

DESCRIPTION OF EQUIPMENT:

100 100-ton open top hopper
cars, bearing road numbers:

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
102100		41400
102101		41401
102102		41402
102103		41403
102104		41404
102105		41405
102106	602101	41499
102107		41406
102108		41407
102109		41408
102110		41409
102111		41410
102112		41411
102113		41412
102114		41413
102115		41414
102116		41415
102117		41416
102118		41417
102119		41418
102120		41419
102121		41420
102122		41421
102123		41422
102124		41423
102125		41424
102126		41425
102127		41426
102128		41427
102129		41428
102130		41429
102131		41430
102132		41431
102133		41432
102134		41433
102135		41434
102136		41435
102137		41436

Original R.I. Series No.	ROCK Series No., if Applicable	U.P. Series No.
102138		41437
102139		41438
102140		41439
102141		41440
102142		41441
102143		41442
102144	602100	41498
102145		41443
102146		41444
102147		41445
102148		41446
102149		41447
102150		41448
102151		41449
102152		41450
102153		41451
102154		41452
102155		41453
102156		41454
102157		41455
102158		41456
102159		41457
102160		41458
102161		41459
102162		41460
102163		41461
102164		41462
102165		41463
102166		41464
102167		41465
102168		41466
102169		41467
102170		41468
102171		41469
102172		41470
102173		41471
102174		41472
102175		41473
102176		41474
102177		41475
102178		41476
102179		41477
102180		41478
102181		41479
102182		41480
102183		41481
102184		41482
102185		41483

<u>Original R.I. Series No.</u>	<u>ROCK Series No., if Applicable</u>	<u>U.P. Series No.</u>
102186		41484
102187		41485
102188		41486
102189		41487
102190		41488
102191		41489
102192		41490
102193		41491
102194		41492
102195		41493
102196		41494
102197		41495
102198		41496
102199		41497

PRICE WHEN NEW: \$16,088.24 per car, or

TOTAL PRICE WHEN NEW: \$1,608,824.00 for all 100 cars.

FIXED RENTAL PAYMENTS: Fifteen (15) semi-annual rental payments, in advance at \$697.18 per car, or \$69,718.00 for all 100 cars.

LESSEE: Union Pacific Railroad company

TRUSTORS: Wilmington Trust Company
City National Bank & Trust Company
First American National Bank

ASSIGNEE: Wells Fargo Bank, N.A.

SCHEDULE OF CASUALTY VALUE

CASUALTY VALUE: The following percent of original cost to Lessor of an Item of Equipment, including all taxes and delivery charges, is to be paid on a rental payment due date pursuant to Section 2.2 of the Equipment Lease as the result of an Item becoming the subject of a Casualty Occurrence, depending upon when the Casualty Value is paid:

<u>Rental Payment Date</u>	<u>Casualty Value Payable Per Item [in lieu of Rental Payment for such Item due on such Date]</u>
March 20, 1981	64.750
September 20, 1981	61.875
March 20, 1982	58.750
September 20, 1982	55.625
March 20, 1983	52.375
September 20, 1983	49.125
March 20, 1984	45.625
September 20, 1984	42.250
March 20, 1985	38.625
September 20, 1985	35.125
March 20, 1986	31.500
September 20, 1986	27.750
March 20, 1987	24.000
And thereafter	15.000